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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

December 23, 1994

The Honorable Bob Dole
United States Senate
141 Hart Senate Office Building
Washington, D.C. 20510

Dear Senator Dole:

This letter responds to your correspondence relating to the Commission's proceeding in PR Docket No. 93-61, to develop regulations for Automatic Vehicle Monitoring (AVM) systems operating in the 902-928 MHz band. In your letter you express concern regarding the continued viability of present users of this part of the band and discuss the possibility of conducting testing of proposed uses.

The AVM proceeding is reflective of the challenges, as well as the opportunities, for the Commission in implementing its goal of enhancing competition and choice in telecommunications services. Parties representing wide and varied views have participated in the proceeding. Both the so-called Part 15 devices and the AVM systems demonstrate the entrepreneurial initiative and growth potential that characterizes telecommunications. Instead of parties competing at the Commission and in the courts, it is important to move toward a structure where consumers can make choices based on the type, quality and quantity of services.

The present AVM "interim" rules have been in place for 20 years, and the record reflects the potential for implementation of a wide variety of advanced transportation-related services that will enhance public safety and convenience and increase efficiency for the private transportation industry. Some parties argue, however, that the continued interim nature of the rules is inhibiting investment.

The 902-928 MHz band is currently allocated for four uses other than AVM: Industrial, Scientific, and Medical Equipment, radiolocation by the federal government, unlicensed operation of devices under Part 15 of the Commission's rules, and amateur operations. The AVM service itself is divided between the "multilateration systems" which perform vehicle location services, and "nonmultilateration systems" which include automatic toll readers.

Under the present priority structure, users with lower priority generally must accept interference from and may not cause interference to users that have a higher priority. The level of interference that can be tolerated by different parties, as well as the requirements

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under the present rules of non-interference, cause concern for Part 15 advocates. In addition, the Commission must resolve the question of compatibility of various AVM systems - both among multilateration systems, as well as between multilateration and non-multilateration systems. As you note in your letter, a critical factor to consider is whether expanded use by one service will encroach upon another service, even one with a lower priority.

For example, there is a need for a structure that balances the relationship between the unlicensed Part 15 devices and AVM systems. Part 15 products operate in several frequency bands throughout the spectrum. In the 902-928 MHz band, Part 15 products include cordless phones, utility monitoring devices and wireless local area networks. Any resolution should allow and encourage expanding competition among these products and services.

The Commission's task is to determine whether accommodation among and between different users is possible. The legitimate expectations on the part of consumers and manufacturers of Part 15 devices, and the substantial investment and growth opportunities AVM holds, create a significant incentive to pursue a resolution that allows all parties the opportunity to pursue their business plans, instead of selecting one interest to the exclusion of others. Where all parties remain viable competitors, even though they must undertake efforts to adapt, the ultimate goal of consumer choice is more likely to emerge.

A number of parties to this proceeding have expressed the desire and need for additional testing to demonstrate the feasibility of multiple services coexisting in the the 902-928 MHz band. Our record contains a significant amount of information on the issue of mutual coexistence, which was submitted in the form of theoretical analyses, demonstrations and testing. The staff has carefully reviewed and analyzed all of this information in the process of preparing recommendations for the Commission.

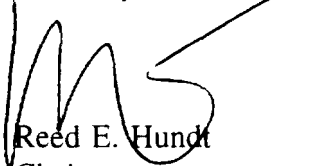
Even given the data in the record, throughout the proceeding there have been suggestions that additional field tests be conducted. The Commission has encouraged parties to participate in cross-industry discussions and testing regarding the technical capability of the various uses and has also afforded substantial opportunity so that the results can be considered by the Commission. As is frequently true, the advocacy by any one party, whether relating to testing or any other issue, tends to urge the primacy of that party's interest, and not a resolution that seeks to accommodate all users, particularly competitors. As a result, while a range of additional field tests have been proposed, cooperation to produce tangible results has been lacking. Even Commission-ordered testing might not produce unequivocal results. Notably, while some parties continue to advocate that the proceedings be delayed for testing, others argue that testing would produce no constructive results, and that the further delay would be damaging to their business endeavors.

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It is within this context that the Commission seeks to bring about a resolution. We must weigh the technical, legal and economic factors and the impact of delay, on all of the parties, with a view toward fostering a competitive environment. Establishing the parameters of a spectrum plan that, while requiring accommodation, allows users within a particular service an opportunity to compete, would do more than resolve this proceeding. Ideally, a resolution should create an impetus for parties to work on solutions on their own in the future, thereby removing the Commission from private disputes. Such a structure should provide a greater capability for the widest variety of providers to make the most efficient use of the spectrum.

I appreciate very much receiving your letter. The issues you raise regarding the AVM proceeding are directly related to improving the efficiency of spectrum management. I hope this letter has been helpful to your review of the issues. Please call upon me if I can provide any additional information.

Sincerely,



Reed E. Hundt
Chairman

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COMMITTEES:
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United States Senate

WASHINGTON, DC 20510-1801

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December 12, 1994

The Honorable Reed Hundt
Chairman
Federal Communications Commission
1919 M Street Northwest
Washington, D.C. 20554

Dear Chairman Hundt:

It is my understanding the Commission is currently considering a proposal on Automatic Vehicle Monitoring (AVM) systems (PR Docket Number 93-61).

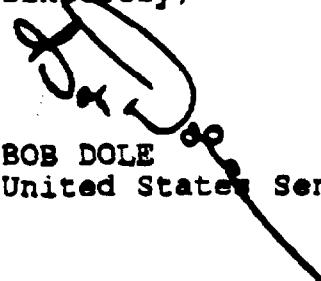
I would like to make you aware that my office has received a number of complaints regarding this process. Specifically, there is considerable concern that exclusive licensing of AVM will displace many parties that currently co-exist in the 902-928 MHz region of spectrum.

I am sure you are well aware that Congressional Republicans are considering asking for a 90-day moratorium on new regulations. Accordingly, I would like to review the impact of your proposal.

As the expert agency, I trust you have test results that support the proposed rules. Please share these findings with me. If field testing has not been carried out to determine potential winners and losers, I am sure you would agree that proceeding any further would be premature.

I appreciate your attention to this matter.

Sincerely,


BOB DOLE
United States Senate

BD/dw